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February 18, 2011

Mr. Kenneth Feinberg Administrator Gulf Coast Claims Facility 1455 Pennsylvania Avenue NW Washington, DC 20004

Dear Mr. Feinberg:

I am more than troubled over the numerous reports this week regarding the utter lack of transparency and fairness within the Gulf Coast Claims Facility (GCCF). Put simply, the GCCF is quickly making a mockery of its supposed "independence" from BP, and changes must be made to the claims process immediately.

As of yesterday, there have been roughly 107,000 claims in the 1<sup>st</sup> District of Florida, and less than 43,000 have received funds from these claims. A payment rate of only 40 percent is deplorable. Understandably, there will be some abuse of the system and misfiled paperwork, as you have been quick to point out to the press. However, my office has heard from a multitude of constituents who feel they are being treated unfairly by the claims facility and that they are being wrongfully denied claims based upon absolutely no sound reasoning. The people of Florida who file a claim against BP deserve nothing less than a rigorous and firm explanation for any denial. Thus far, this has not been the case.

Beyond the claims being denied by your office without proper explanation, the GCCF methodology for actually determining payments has become suspect. Just this week I met with local fishermen in my office who have serious doubts about what appear to be payoffs for their silence. You know as well as anyone that the effects of the oil spill will be felt for several years in the future. Fish stocks three or four years from now will be significantly smaller because of the spill's effects this year, much like the consequences on the fisheries from Hurricane Katrina took three to four years before fully evidencing. A considerable part of Florida's economy relies on our strong fishing business, and the GCCF must account for the possibility of a collapse in the industry several years from now. Payouts today in return for a commitment against future

litigation smacks of Mafia-style extortion, rather than an equitable payment system for claimants.

I agree with Louisiana District Judge Carl Barbier that both the GCCF and you are neither independent nor neutral. For you or others to refer to yourselves as such is an outright falsehood. The GCCF was setup by BP, the claims are paid by BP, and your salary is paid by BP. Although there continues to be a lack of lucidity as to your firm's full compensation from BP, reports indicate that it receives upwards of \$850,000 per month to administer the claims facility. How can your firm take in more than \$10 million a year from BP while seemingly denying legitimate claims of a few thousand dollars to struggling Florida residents affected by BP's negligence? I find it incredulous that only two full review final payments have been made to date, and one was paid to a BP business partner after pressure from BP.

Businesses and individuals across Northwest Florida are continuing to struggle ten months after the Deepwater Horizon tragedy and six months after you began accepting claims in the GCCF. When this process began, I was willing to place my trust in you to establish a system that was fair and timely. It appears that my trust was misplaced. The facility is neither transparent in its decisions, nor impartial in its methodology. It is not working. The Gulf Coast Claims Facility should not require prodding from U.S. Senators and Members of Congress to pay legitimate claims to the citizens of Florida affected by this terrible disaster.

Mr. Feinberg, this is unacceptable. I demand an immediate response to the concerns raised in this letter. The people of Florida deserve no less.

Sincerely,

JEFF MILLER Member of Congress

JM/cs